

# A Commissioner's View of Commissioning



Llywodraeth Cymru  
Welsh Government

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National Federation of Voluntary Bodies  
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## A Word About Language

- Commissioning is about **more** than procurement
- Procurement is **not** just about competitive tendering
- Service users are citizens
- The market is the care sector
- Social care is not health care - may be provided by a number of agencies



## What we'll cover

- Why commissioning is important & what it can deliver
- How it can support an agenda to personalise care services
- Consider roles and responsibilities - providers
- Some key components for market facilitation
- Explore tensions between commissioning & procurement



# Key Questions

Getting into shape for the future:

- How do we manage/respond to demand more effectively?
- How do we **shape the market** to ensure choice, flexibility & innovation?
- How can we achieve better outcomes with less?
- How can we ensure sustainable services?



## Key Messages

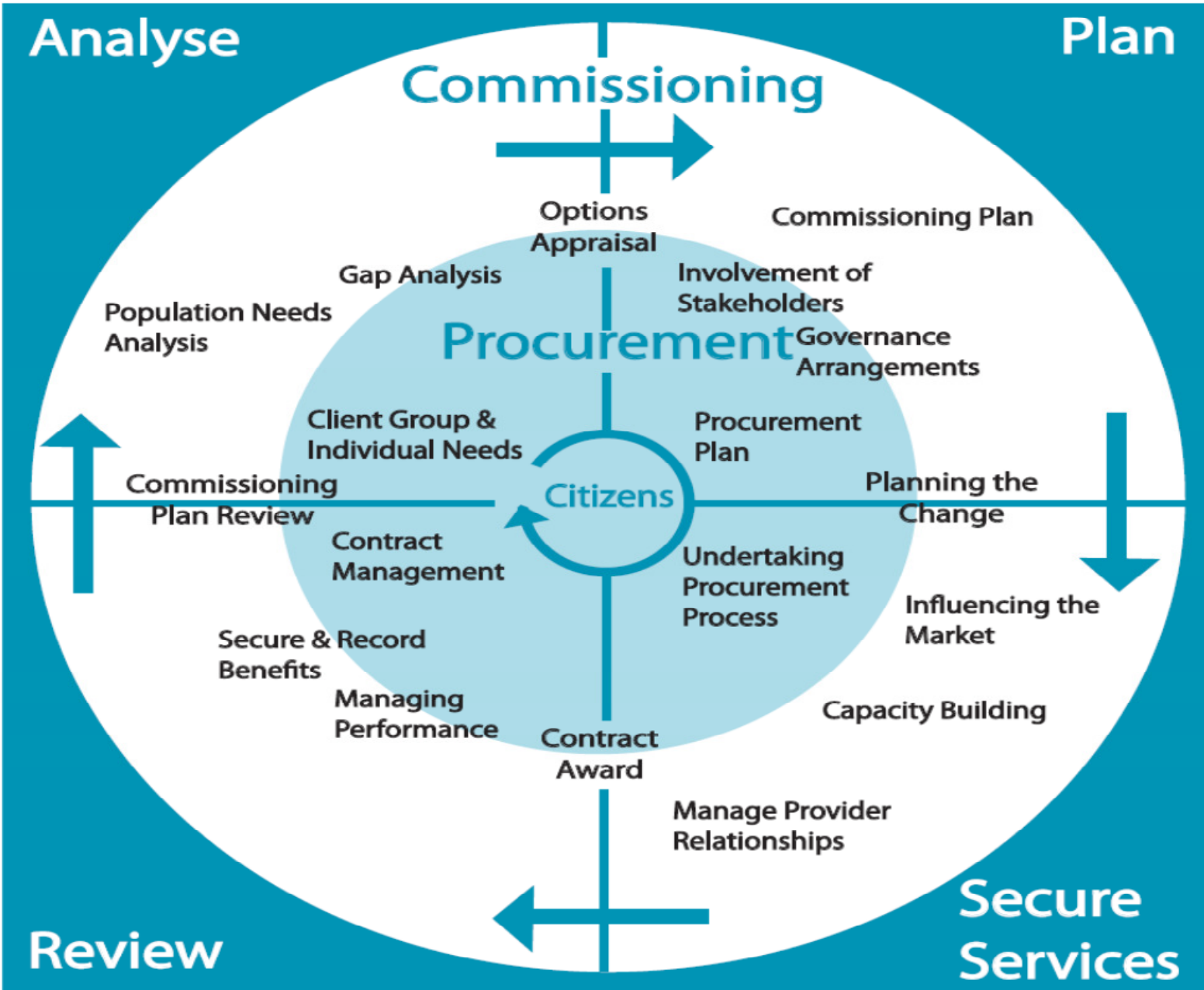
- Financial outlook is difficult - we cannot buy our way forward
- Choice - retrenchment or renewal. Means:
  - Focussing clearly on delivery
  - Continuing to innovate
  - Creating sustainable services
- Collaboration -service planning on a local, regional or where more appropriate, national basis
- Stronger citizen control & citizen directed services



# Key challenges

## No more new funding:

- How to release resources to develop new services (market facilitation)
- Tensions between commissioning & procurement (competition)
- What about personalisation?



# Why Commissioning?

A good approach to strategic commissioning provides:

- Improvements in care services and **better outcomes** for service users ..... *market facilitation*
- A **framework** within which interested parties are able to work together to achieve a shared vision & goals.
- A **transparent process** which provides an evidence-based rationale for decision-making - informed by the needs of the population & capacity of providers.
- **Auditable objectives** which ensure that value for money services deliver required outcomes
- Increased **choice and control**

**Nothing more important to get right**





## Key Characteristics

- A shared vision and common goals
- Citizen centred approaches and personalisation
- Focus on **outcomes** not inputs and outputs
- Partnership & collaboration rather than competition



## Key Principles - Commissioners

- Understand the needs of those using services
- Consult provider organisations at **all stages of the process** & when setting priorities
- Put outcomes for users at the heart of the process
- Map the fullest practical range of providers
- Consider investing in the provider base
- Ensure contract processes are transparent & fair - long term contracts & shared risk taking
- Seek feedback to review effectiveness of commissioning process



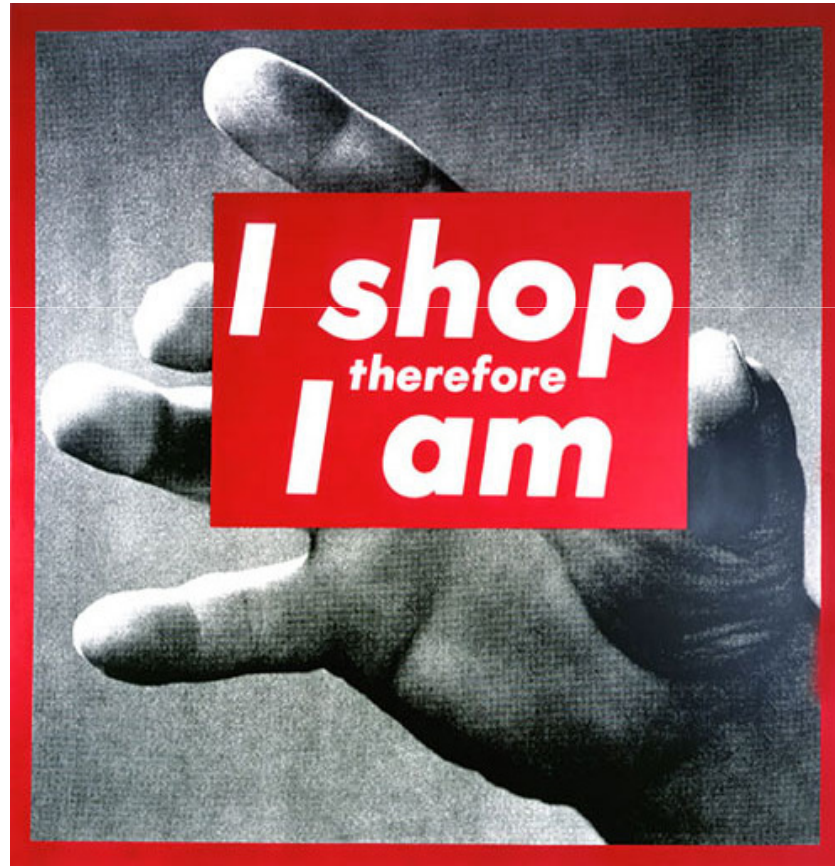
## Key Principles - Providers

- Focusing on service user outcomes & being citizen-centred
- Delivering efficiencies & best value
- Being innovative
- Ensuring sustainability
- Engaging all stakeholders
- Building positive & constructive relationships

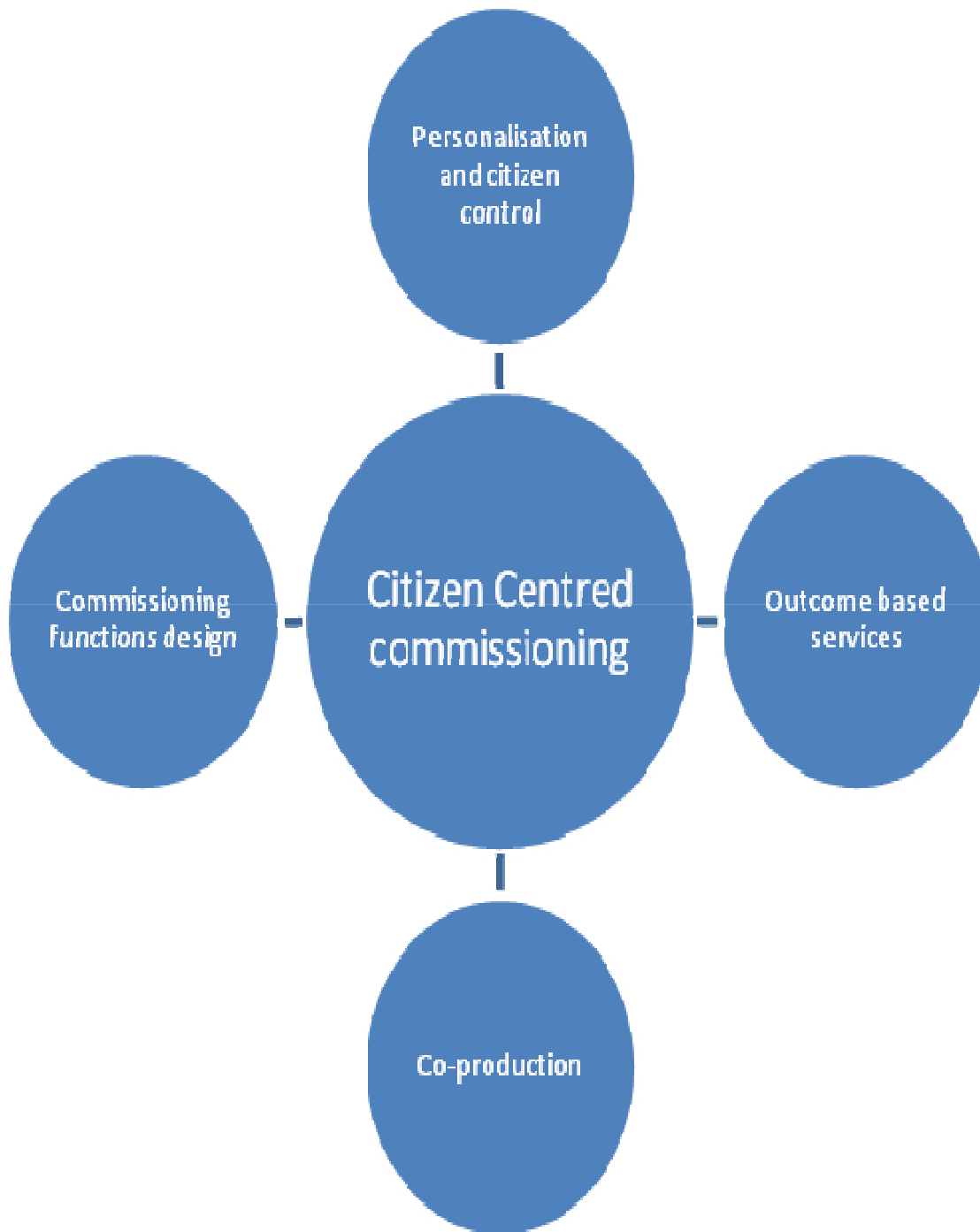


Any questions or  
comments so far?

# The danger of **individualism** in an age of consumerism

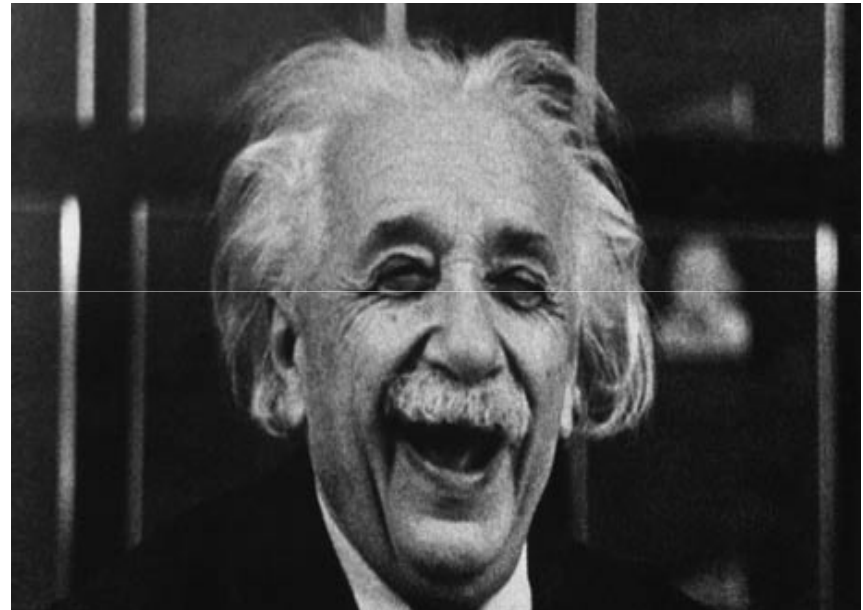


- *'There is a need to replace an individualistic view of autonomy with one based on 'interconnectedness and partnership' that recognises the uniqueness of each individual, but also the **interdependence** that shapes our lives'* Nolan et. al.(2006)



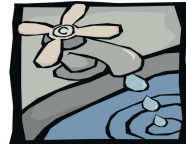
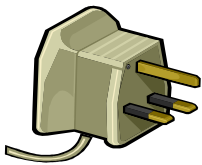
## A word of caution from **Einstein**

*‘Not everything that can be counted counts, and not everything that counts can be counted’*

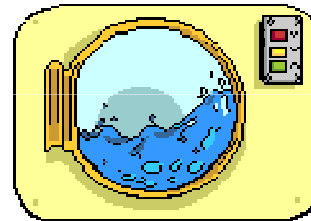


# Example of Inputs, Outputs and Outcomes

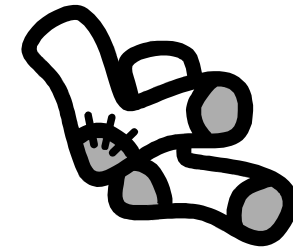
Inputs



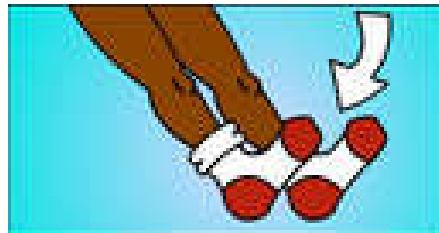
Process & Activity



Outputs  
Measures



Outcomes



End user happy  
and has warm feet



# Service Example of Inputs, Outputs and Outcomes

## Inputs

£££££

Equipment

Staff  
Training



Isolated/lonely  
and lacking  
confidence  
following a fall

## Process & Activity

Assessment

Personal Care

OT programme

Physio

Day activities

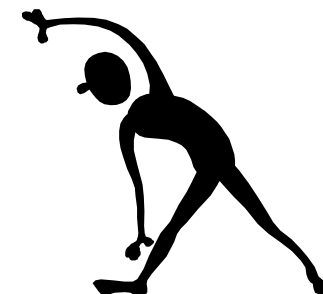
Other



## Outputs



## Outcomes



I am more confident, mobile and independent



## Key learning - personalised care services

- Commissioning can help to drive personalisation
- Funding mechanisms help but it's about more than the money
- Outcomes based approaches are key
- Market shaping for choice, quality, equitable access
- Social care is not a pure market

### What has hindered:

- Culture
- Early expressions of commissioning practice
- Commissioners playing catch up - transfer of control

### What has helped:

- WG policy over years
- Trust based relationships
- Flexible contract arrangements
- Not allowing market forces to rule

# The Welsh Journey

## 4 Phases:

- Development of a shared vision and joint planning arrangements
- Separation of responsibility for assessment of need & arranging care from provision
- Market development and management
- Collaboration and citizen focus





## Key learning - Roles & Responsibilities

- Planning in partnership - can deliver flexible, innovative service solutions
- Vested interest can slow pace of change
- Good relationships are no substitute for effective governance

### What hindered

- Failure to achieve full separation of roles- LAs are still providers
- Perception of lack of a level playing field
- Skills and knowledge of key staff

### What helped

- Regulation - national minimum standards for care
- Transfer of lead agency responsibility
- Policy lead from government



## Key learning - Commissioning role/function

- Responsibility for commissioning permeates many aspects of LA activities
- Elements of commissioning function should be **shared across agencies**
- Commissioners should have oversight of all key aspects of delivery - & be able to 'place shape' (strategise)

### What has hindered:

- Ad hoc development to fill the gap around key individuals
- Master/servant approach

### What has helped:

- **Commissioning Guidance & standards:**
  - Definition
  - Model
  - Responsibilities across key roles
- Qualification framework - NVQs
- Commissioning functions

# Key Components for Market Facilitation

- **Strong engagement** - develop mechanisms that enable service users to set direction for commissioning & service development
- **Market intelligence** - build an evidence base about local care sector & how it operates
- **Provider development** - build constructive relationships based on:
  - Shared view of the outcomes to be achieved
  - Common understanding of constraints & shared risk taking
  - Support providers to help them adapt & respond while developing their infrastructure
- **Flexible arrangements** - develop processes to secure services that are fair & proportionate & which support the development of a range of outcome focused support from a **plurality of different providers**



# Purchasing Arrangements

## 2 views on achieving extra value from spending on public services

- A Competitive approach - organisations prosper or wither according to how much business they generate or can win through competitive tendering (UK)
- A Collaborative approach - seeks to maximise efficiency gains through the scale economies of more effective co-operation and coordination between agencies across the whole of the public sector (Wales)

Services are subject to competition but focus is on collaboration - social care is not a pure market



# Shaping the Care Sector

Services developed through a range of approaches e.g.

- Direct grant funding
  - Competitive tendering
  - Service reconfiguration
    - Focus on outcomes
    - Outsourcing direct provision
  - Social Enterprise
  - Direct payments
  - Self funders
- Outcome focused commissioning for efficiencies  
to release resources





## Key learning - Care sector (market) facilitation

- Shared enterprise between commissioners & providers
- Success relies on partnerships, shared risks & willingness to put service users in the driving seat

### What has hindered:

- Inappropriate use of competitive approaches
- Poor management information
- Focus on inputs/outputs
- **Passive provider role**

### What has helped:

- An approach where formal tendering is not a first resort
- **Opportunities for partnership & collaboration are taken**
- ‘Enabling’ role of WAG
  - Good practice PRP
  - Work to support development of confident/ competent commissioners



# Role of Procurement

## Commissioning is NOT procurement

- Commissioning MAY include competitive tendering
- Tensions exist - confusion re applicability of EU regs.
- Perception of procurement - providers see tendering as an opportunity & re- tendering as a threat
- Using competitive tendering to secure care services
  - Not always about the lowest price (almost never)
  - Seeking added value in relation to sustainable development
  - Seeking widest possible benefit for citizens.
- Commissioners & procurement officers must work together

[Summary of Templates](#)

[Summary of Case Studies](#)

[Summary of Training](#)

[Summary of Useful Links](#)

## Introduction to Social Care Procurement



Welcome to the Procurement Route Planner (PRP) for social care and housing related support.

The PRP is intended to support commissioning organisations in meeting the standards set out in [Fulfilled Lives Supportive Communities Commissioning Framework- Guidance and Best Practice](#)

[2009](#). It provides a structured, step-by-step guide, and encourages a consistent, best practice approach to the procurement of social care and housing related support services in Wales, and is relevant for services that are jointly commissioned by Local Authorities.

It has been developed in recognition that the procurement of services for vulnerable people is much more complex than for general goods and services, and governed by a wide range of legislation and statutory guidance.

Within the various sections of the PRP you will find related templates and case studies along with details of relevant training and useful links. The Contents section provides more information on the contents of the PRP.

If you require support and guidance relating to the interpretation and

[Home](#)

[Search the PRP](#)

[A to Z Search](#)

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## Key learning - Role of procurement

- Commissioning should drive procurement
- Options available to secure care services

## What has hindered:

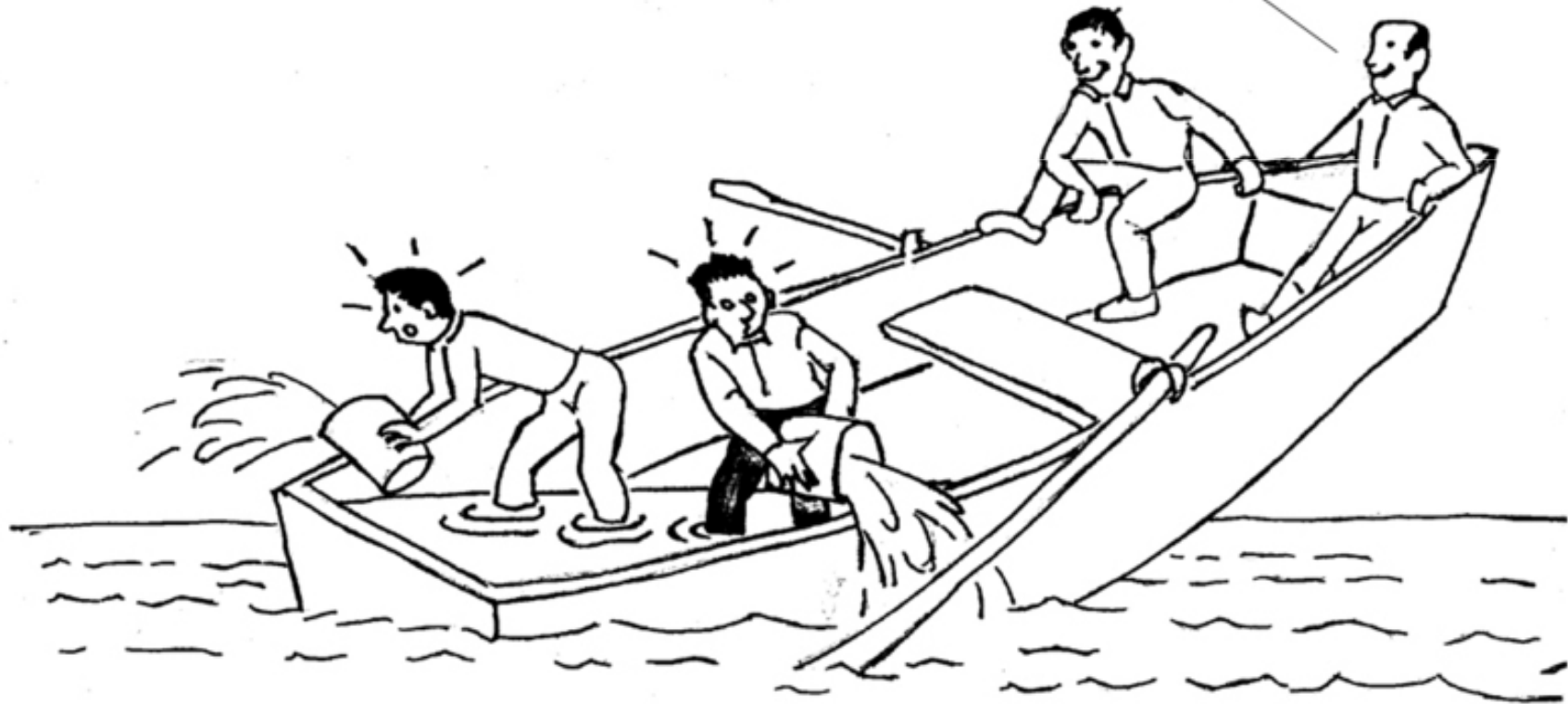
- Confusion re commissioning & procurement
- Confusion re applicability of EU regulations
- Focus on driving down price
- Ensuing disruption to service users & staff
- Unhelpful timescales for completion

## What has helped:

- Commissioning Guidance
- Development of PRP with all key stakeholders
- Series of workshops for commissioners & providers
- Involvement of service users & families
- Engagement with lawyers & finance managers
- Competitive dialogue

# A picture paints a **thousand words**

Sure glad the hole isn't at our end.





# Making the Connections

Currently exploring opportunities for collaborative approaches

- Want to capitalise on our size and exploit opportunities to make connections - **does not make sense to do everything 22 times**
- Across traditional organisational & geographic boundaries - **regional commissioning hubs**
- Cross-sectoral collaboration to deliver outcomes for citizens
- Shared service planning between health & social care

**The best outcomes are obtained when those who use & those who provide services work together in collaboration**



Collaboration -  
Questions/comments?

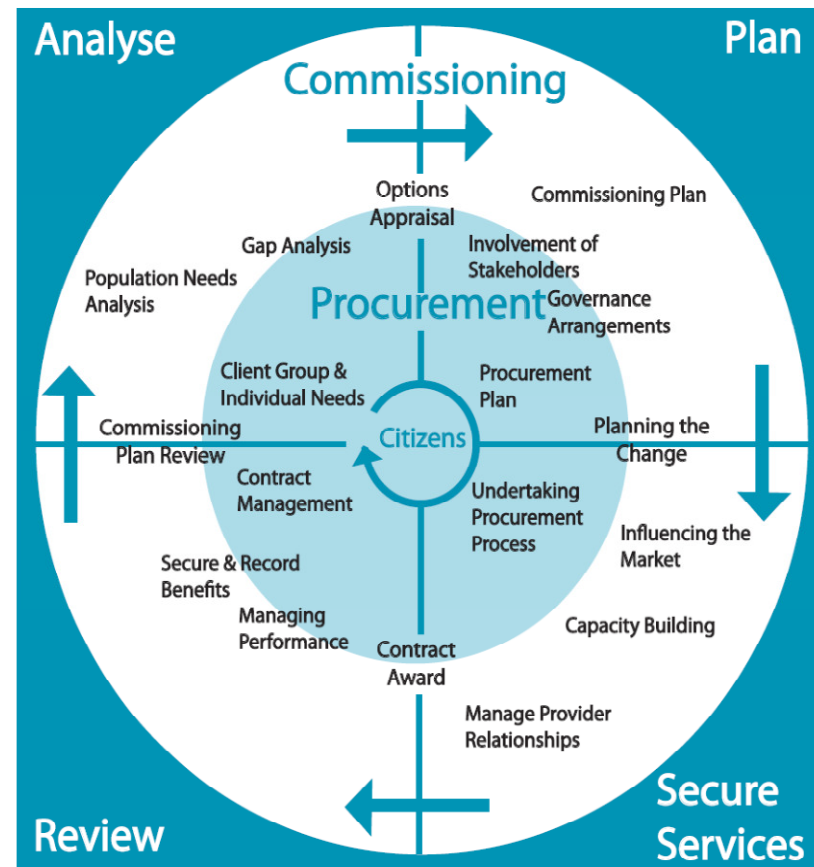


# Provider Engagement with Commissioning

- Responsive to the activities of commissioners & purchasers - to develop services & create opportunities

- An outward-facing role made up of your own corporate cycle of activities

Both are important!

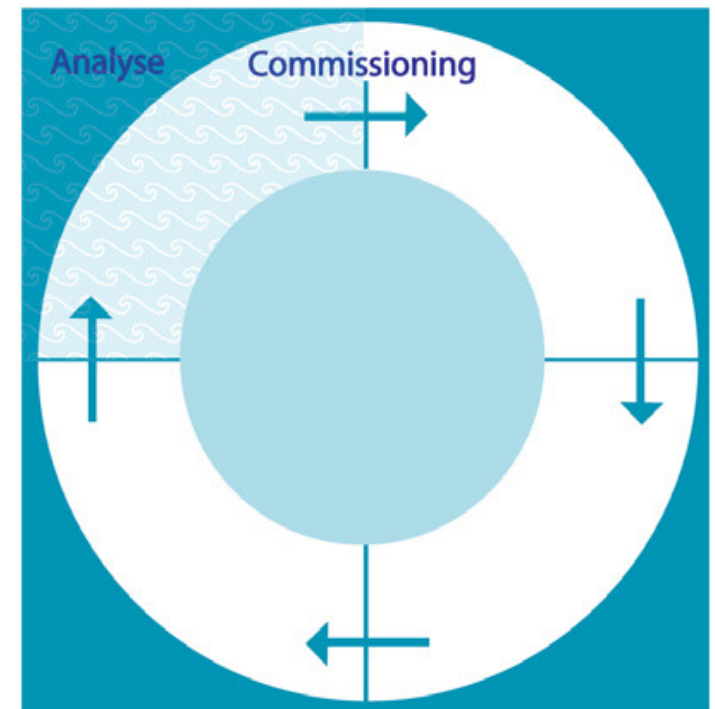




# Analysis

- Identify policies, guidance, strategic plans, research & best practice & analyse key messages.
- Population needs analysis.
- Service, market and resource analysis.
- Draw & shape the above analyses together & share with key stakeholders in readiness for the planning stage of the process.

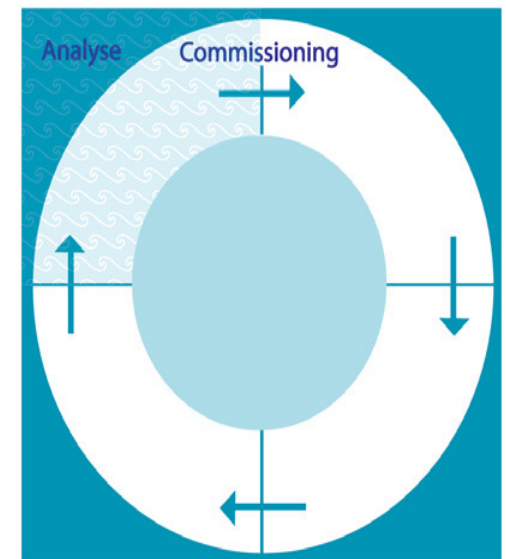
Who are the people & what do they need?



# Analysis

- Understand regional & local markets & players
- Understand national & local policy drivers
- Research best practice
- Monitor & identify potential funding & tendering opportunities
- Advise on best practice & innovation
- Contribute knowledge of client needs
- Contribute to service mapping & resource analysis

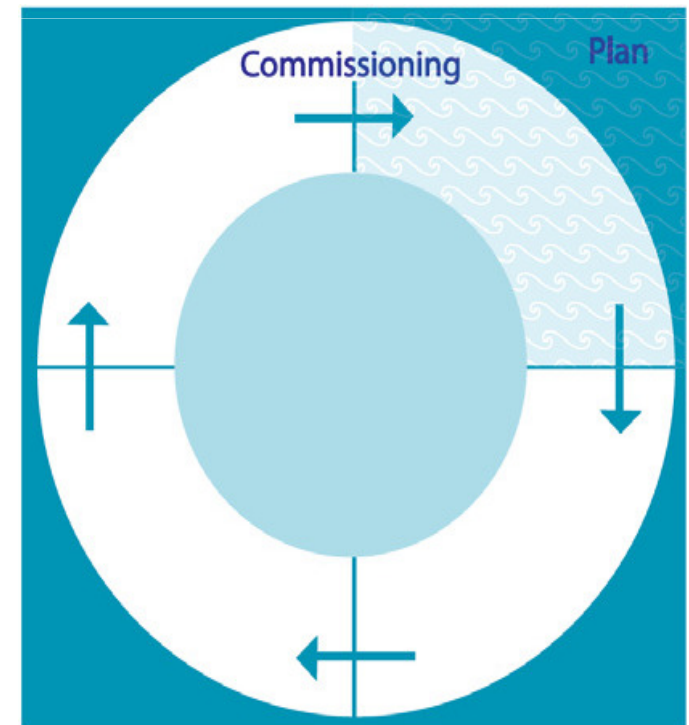
Understand the business context and market position



# Plan

- Assess the strengths weaknesses, gaps and overlaps of existing services
- Develop strategic outcomes in the light of analyses & assessments
- Design or reconfigure service systems
- Carry out a risk assessment of the emerging arrangements
- Devise commissioning intentions
- Bring together all components into draft commissioning plan
- Consult with all key stakeholders

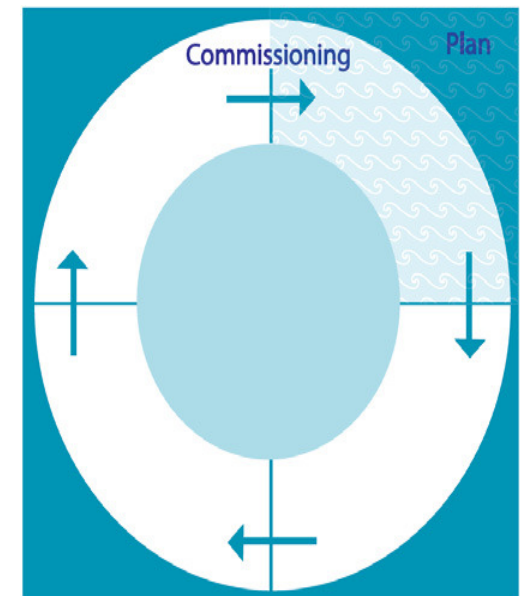
How well placed are providers to respond to needs?



# Plan

- Develop business strategy & operational plans
- Consider potential collaboration & partnership arrangements
- Develop new service designs & innovative practice
- Contribute to development & implementation of commissioning strategies
- Advise on gap analysis
- Give examples for improvements to services & new service design

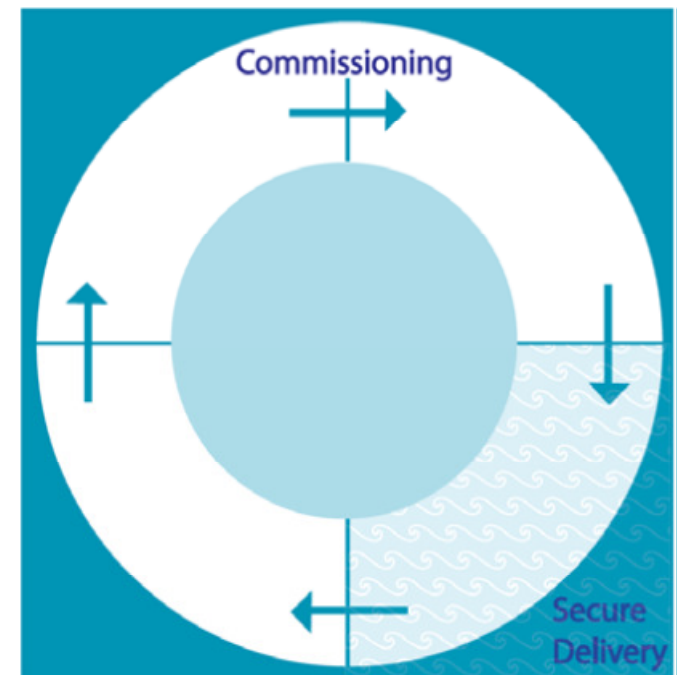
Develop the business strategy & plan for organisational change



# Secure services

- Devise a market management plan to guide the implementation of commissioning intentions
- Begin to shape the provider system
- Build a positive working relationship with & between providers across the care system

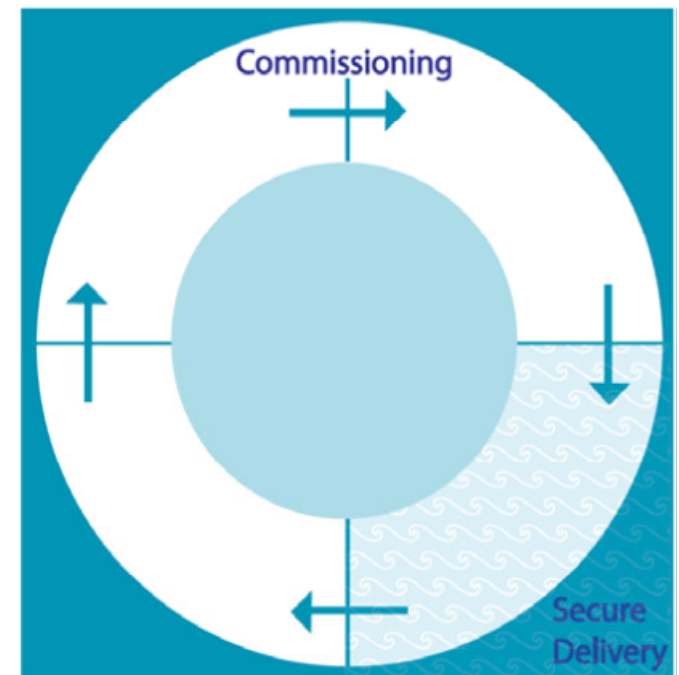
**DO**



## Do

- Deliver operational services
- Develop the market & relationships
- Build capacity & capability e.g. bid writing
- Improve systems, structures & effectiveness
- Contribute to market development plan
- Engage with & support provider for a
- Align information management systems

Deliver operational services,  
achieve corporate goals &  
influence the market place





Questions or  
comments



# Barriers to change

- Attachment to or reliance on traditional models of provision
- Political process - tends to protect local institutions rather than encourage innovation
- Lack of trust in the motives of organisations or leaders proposing change
- Case for a new model of provision not made convincingly enough
- Local organisations divided on the need for change
- Insufficient understanding of the costs of failing to change





## Lessons learnt

- Starting point - maximum possible transparency about vision & objectives.
- Commissioners & providers must work as equal partners
- Collaboration takes time & requires trust & shared risk taking
- Allow room for tension & anxiety
- Build on the strengths of existing relationships
- Don't let the process get in the way of what you are trying to achieve.
- Don't seek complex solutions when simplicity will do
  - Make sure every thing you do adds value for service users



## Final Thoughts

### Success relies on

- Partnerships and collaboration
- Shared risks
- A willingness to put service users in the driving seat



***Diolch yn fawr -  
thanks for listening***